



Senate

General Assembly

File No. 234

January Session, 2001

Substitute Senate Bill No. 477

Senate, April 11, 2001

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING INSURANCE SETTLEMENTS FOR TOTAL LOSS VEHICLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 38a-353 of the general statutes is repealed and the following
2 is substituted in lieu thereof:

3 (a) Whenever [any] a damaged motor vehicle covered under an
4 automobile insurance policy has been declared to be a constructive
5 total loss by the insurer, the insurer shall, in calculating the value of
6 such vehicle for purposes of determining the settlement amount to be
7 paid to the claimant, use at least the average of the retail values given
8 such vehicle by (1) the National Automobile Dealers Association used
9 car guide, and (2) one other automobile industry source which has
10 been approved for such use by the Insurance Commissioner. For
11 purposes of this section, "constructive total loss" means the cost to
12 repair or salvage damaged property, or the cost to both repair and
13 salvage such property, equals or exceeds the total value of the property

14 at the time of loss.

15 (b) Whenever a damaged motor vehicle covered under an
16 automobile insurance policy has been declared to be a constructive
17 total loss by the insurer and the vehicle is in the possession of a
18 licensed dealer or repairer, the insurer shall pay any charges,
19 including, but not limited to, storage and authorized repair charges,
20 that accrue until (1) the insurer removes the vehicle from the premises
21 of the dealer or repairer, or (2) the insurer attempts to remove the
22 vehicle during regular business hours but is prevented from removing
23 the vehicle by the dealer or repairer.

INS **JOINT FAVORABLE SUBST.**

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact: None

Affected Agencies: Department of Insurance

Municipal Impact: None

Explanation**State Impact:**

The bill requires an insurer to cover the expenses of storage and unauthorized repair charges of a damaged motor vehicle when the vehicle has been declared to be a constructive total loss by the insurer. The insurer will cover these expenses until the insurer removes the vehicle from the repairer's premises or attempts to remove the vehicle and is prevented from doing so. There is no fiscal impact on the Department of Insurance as a result of the bill.

OLR Bill Analysis

sSB 477

AN ACT CONCERNING INSURANCE SETTLEMENTS FOR TOTAL LOSS VEHICLES.

SUMMARY:

This bill requires motor vehicle insurers to pay any charges, including storage and authorized repair charges, until (1) the insurer removes the vehicle from the dealer or repairer's premises or (2) the insurer attempts to remove the vehicle during regular business hours and is prevented from doing so by the dealer or repairer, if the insurer declares the vehicle a constructive total loss while it is in the dealer or repairer's possession and the damage is covered by an automobile insurance policy.

A "constructive total loss" means the cost to repair or salvage the vehicle, or the cost to both repair and salvage the vehicle, equals or exceeds the total value of the vehicle at the time of loss.

EFFECTIVE DATE: October 1, 2001

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 0